

WT Docket No. 11-65

FILED/ACCEPTED

MAY 10 2011

Federal Communications Commission
Office of the Secretary

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Sent: Thursday, April 14, 2011 1:52 PM
To: Catherine Matraves
Subject: WT Docket No. 11-65

I wrote the following about the ATT/T-Mobile deal and hope the commission will consider these arguments.

Best,

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<http://blogs.forbes.com/nickschulz/2011/03/22/why-putting-the-t-in-t-mobile-is-good-for-consumers/>

Why Putting the "T" In T-Mobile Is Good For Consumers

By NICK SCHULZ

Shortly after the announcement of AT&T's deal to purchase T-Mobile USA from Deutsche Telekom, the chorus of technology chicken littles started their bleating.

Activist groups such as Free Press and Consumers Union complained of the dire consequences for American wireless customers. They fret that this increased industry consolidation will result in worse service, higher costs and all manner of problems for entrepreneurs dependent on wireless networks for their success. Several voices are calling on the Federal Communications Commission or Department of Justice to block the deal.

Of course, there is a positive case to be made about the deal's merits, and not just from AT&T and T-Mobile.

Zachary Karabell of Twice River Research notes that the acquisition might lead to improved wireless performance. Smaller players such as T-Mobile can't provide the service customers need across a continental country such as the United States. Bigger is better if it means greater economies of scale.

And "tight but competitive markets," he notes, can heighten the need for better customer service as AT&T needs to differentiate itself from Verizon, Sprint and a host of other players still slugging it out in the market.

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So what should policymakers tempted to monkey with the deal — or even to scuttle it — think? Who is right? Will it be a boon for customers or a bust?

The answer is no one knows for sure. We have markets for some of the same reasons we have horse races. If we knew in advance the outcome, there would be no point in running the race. The future evolution of wireless telecommunications is in wild flux and therefore uncertain. Permitting deals and investments to proceed freely is part of the process by which firms compete and experiment in their efforts to satisfy (or even create) customer wants and needs; and to push innovations and new technologies throughout the economy.

And while the precise shape of the industry's future may be uncertain, there are some things we know that suggest it makes sense to let the deal consummate.

Discussing the future of 4G and other advanced wireless networks recently, Intel CEO Paul Otellini noted that a huge jump in capacity would be needed to build and roll them out. "It will require tens of billions --- not billions --- of dollars in investment to get there," he told *Forbes* publisher Rich Karlgaard.

"The competition between AT&T and Verizon is good and will help spur such investment," he said. "It's quite remarkable that, because of competition, the U.S. has gone from a Third World-like wireless infrastructure a few years ago to 3G and 4G pretty well."

When you hear critics of the deal say there's not enough competition in the industry, or that the deal will result in insufficient competition, don't buy it. The wireless ecosystem is intensely competitive — with rapid innovation as proof — and will remain so even if the FCC and DOJ sit on their hands.

The critics of the deal are ideologically opposed to large communications companies. In this manner they are the intellectual heirs to Louis Brandeis, the New Dealer scourge of "bigness" whose hatred of large industrial firms was so blinding it led him to champion greater inefficiency and diminished productivity. While Brandeis may have been a terrific lawyer, he was a lousy economist.

AT&T's purchase of T-Mobile USA is an example of what industry analyst Bret Swanson calls an "Exaflood Acquisition," a "response to the overwhelming proliferation of mobile computers and multimedia content and thus network traffic."

Wireless communications has gone from a world of close to zero data traffic (as recently as the George W. Bush administration) to one in which demand for data is overturning the shape of the market — a wireless exaflood of data. That demand is set to continue climbing rapidly and firms have to respond to satisfy customers with new investments, acquisitions, and technologies. That's the context within which policymakers must analyze this deal.

Consumers will be best served in the long run if all the mobile data and applications their hearts desire can flow over sufficient amounts of radio bandwidth. To that end, policymakers in Washington should focus on making sure the nation's spectrum is liberated to serve highest value uses.

For example, currently the country's broadcasters sit atop some valuable spectrum that may be underutilized. Deregulating the spectrum so broadcasters could sell it -- or so new investors could come in and force broadcasters to put it to more profitable use -- would be a big winner for consumers and the broader economy.